



# Iowa Department of **REVENUE**

## **FOUR-YEAR STRATEGIC PLAN**

**FISCAL YEAR 2012 THROUGH FISCAL YEAR 2015**



## **STRATEGIC PLAN 2012 – 2015**

### **Table of Contents**

Mission, Vision, and Core Functions	3
Assessment	4
Guiding Principles	5
Goals, Measures, Strategies, and Action Steps	
Goal 1: <i>Provide Superior Customer Service</i>	7
Goal 2: <i>Provide Accurate, Clear, and Concise                   Information to Taxpayers</i>	7
Goal 3: <i>Modernize the Delivery of Tax                   Administration Services</i>	8

### **Department Leadership**

**Courtney M. Kay-Decker – Director**

**Stuart Vos** – Deputy Director & Administrator, Tax Management Division

**Victoria L. Daniels** – Chief Communications Officer & Administrator, Policy & Communications Division

**Amy Rehder Harris, Ph.D.** - Chief Economist & Administrator, Research & Analysis Division

**Jessica Holmes** – Chief Operating Officer & Administrator, Internal Services Division

**Mike Rohlf** – Chief Innovation Officer & Administrator, Process Improvement & Innovation Division

**Julie G. Roisen** – Local Government Operations Chief & Administrator, Property Tax Division



# Iowa Department of **REVENUE**

## ***Mission, Vision, and Core Functions***

### **Mission**

The statutory mission of the Iowa Department of Revenue is to serve Iowans and support state government by collecting all taxes required by law, but no more.

### **Vision**

Iowa will be a state where it is easy to understand and comply with tax obligations.

### **Core Functions**

The core functions of the Iowa Department of Revenue consist of, and are generally described, as follows:

**REVENUE COMPLIANCE AND COLLECTION** is the most visible portion of our operations. This function includes educating taxpayers - our customers - on tax laws and regulations, processing tax returns and related documents, and collecting taxes and other amounts due, all in compliance with Iowa's tax laws. It is under this umbrella that the Department conducts its taxpayer examination and audit programs, and resolves disputed tax issues.

**LOCAL GOVERNMENT ASSISTANCE** provides support to local governments. This function is responsible for administering just and uniform property assessments across the state. It also administers programs for property tax relief, local option sales tax, and school infrastructure sales tax.

**RESEARCH, ANALYSIS, AND INFORMATION MANAGEMENT** provides tax policy development and analysis, fiscal impact estimation, and economic and statistical research and analysis to help customers, stakeholders, and policymakers make informed decisions.

**RESOURCE MANAGEMENT** provides internal infrastructure support of the Department's operations, including technology development and support, personnel management, and budgeting.



# Iowa Department of **REVENUE**

## *Assessment*

The Department of Revenue has the opportunity to interact with nearly every Iowan at some point during his or her lifetime. The Department is also the financial engine of the state, responsible for collecting the vast majority of the appropriable revenues. We deal with complex tax laws, and must craft regulations in support of those laws. To do our job, we must effectively communicate with our constituencies, in large part by finding ways to make the complex simple and more efficient along the way.

### *Significant Achievements: Electronic Filing*

Iowans expect to be able to transact business electronically if they so desire. The Department offers electronic filing in recognition of that desire, and was on the leading edge of this service. Taxpayers who eFile receive refunds faster, and are significantly less likely to have a return rejected for having errors. Iowa consistently ranks within the top five states for the percentage of returns filed electronically. During Fiscal Year 2011:

- 85% of individual tax returns were filed electronically;
- 99% of withholding tax returns were filed electronically; and
- 96% of sales/use returns were filed electronically.

In 2011, for the first time, taxpayers were also able to eFile corporate, subchapter S corporation, and partnership returns.

### *Challenges and Opportunities*

**TECHNOLOGY:** Technology has become a critical element to the efficient delivery of services in every industry. Our technology and systems were developed decades ago based upon a paper-based economy. We must plan for modernization of our hardware and software systems in a way that leverages the experience of other agencies, and creates opportunities for collaboration. One of our challenges in this arena will be to re-imagine our processes to more efficiently deliver our core services and functions with the benefit of today's technology.

**TRANSPARENCY:** 2011 legislation provides the foundation for statewide tax rate and budget databases. The Department is an important partner in ensuring this information reaches taxpayers. Many errors and disputes arise from misunderstandings about applicable tax obligations. Our audit, examination, and collections operations are successful in collecting significant revenues owed to the State. However, we will be more efficient if we reduce the number of compliance contacts we must initiate with taxpayers. Our challenge is find ways to clearly and concisely communicate information to taxpayers, such as through the Iowa Transparency Portal, so that they can voluntarily and correctly comply.



## ***Guiding Principles***

Governor Branstad has outlined four overarching goals for his administration, as follows:

- Create 200,000 New Jobs,
- Reduce the Cost of Government by 15%,
- Restore Iowa's Educational System to Number One in the Nation, and
- Increase Family Incomes by 25%.

The Department of Revenue will do its part to support and further these goals. We have developed this Strategic Plan with the Governor's goals as our guiding principles. We have also adopted the following detailed Departmental Guiding Principles:

### ***CUSTOMER FOCUS***

- We understand that Iowa taxpayers are our number one customers.
- We collaborate and partner with both our internal and external customers.
- We use technology to support our customers more efficiently.
- We maintain the public's confidence by safeguarding our customers' confidential information.

### ***EXPERTISE***

- We provide expert advice and support to policymakers and to local and state government entities.
- We help local governments responsibly manage their fiscal resources through our support of the property tax system and distribution of local option taxes.
- We educate and train employees to gain the knowledge needed to perform their jobs the best they can.

### ***EDUCATION***

- We recognize that Iowa tax laws are complex and we provide the services and education necessary to facilitate compliance.
- We simplify regulations where possible and recommend policy that enhances the ease of taxpayer compliance.

### ***FISCAL MANAGEMENT***

- We responsibly manage our financial resources to fulfill our mission.
- We continually monitor and measure our internal processes to assure economy and efficiency, keeping the cost of state government as low as possible.
- We work with the Legislative Branch to recommend fiscally sound legislation that reflects the fiscal obligations of the State.



## ***Goals, Measures, Strategies, and Action Steps***

### **GOAL: Provide Superior Customer Service**

#### **MEASURES:**

- Taxpayer satisfaction.
- Employee performance.
- Number and subject matter of taxpayer contacts.

#### **STRATEGIES:**

- Acknowledge and reward positive behavior and interactions.
- Expand employee training.
- Lead by example.

#### **ACTION STEPS:**

- Explore existing taxpayer feedback mechanisms for additional opportunities.
- Continue to implement and refine results-based employee performance plans.
- Continue to monitor and track calls and Web hits; adjust communications and education accordingly.
- Review all audit programs for return on investment.

### **GOAL: Provide Accurate, Clear, and Concise Information to Taxpayers**

#### **MEASURES:**

- Percentages of known-due individual and corporate income taxes paid timely.
- Recovery rate for major tax types.
- Number of hits to the Department's Web site.
- Number of assessments and protests that are not resolved in the Department's favor.

#### **STRATEGIES:**

- Develop and implement a state of the art taxpayer education program.
- Leverage employee and taxpayer feedback to provide targeted education and communication.
- Provide the right information to taxpayers in the most efficient and effective manner.

#### **ACTION STEPS:**

- Create a taxpayer education focus and create a promotion and education plan, including possible use of social networking tools.
- Contact taxpayer, tax preparer, and industry groups prior to initiating audit programs.
- Expand opportunities for "self audit" programs as opposed to traditional audit activities.



## ***Goals, Measures, Strategies, and Action Steps***

### **GOAL: Modernize the Delivery of Tax Administration Services**

#### **MEASURES:**

- Taxpayer satisfaction.
- Processing cycle time.
- Employee productivity.
- Return on investment.

#### **STRATEGIES:**

- Review current processes and system needs in each division.
- Investigate other tax administration systems and applications.
- Conduct ongoing review of forms and automated communications.

#### **ACTION STEPS:**

- Assemble interdepartmental team to determine scope of projects.
- Prepare and release RFPs for replacement of new processing systems.
- Review and evaluate bids.
- Begin phased-in implementation.